

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

**GRUPO AEROMÉXICO, S.A.B. de C.V., et
al.,

Debtors.¹**

Chapter 11

Case No. 20-11563 (SCC)

(Jointly Administered)

**DECLARATION OF MATTHEW LANDESS IN SUPPORT OF (A) DEBTORS'
MOTION FOR ENTRY OF AN ORDER AUTHORIZING DEBTORS TO
ASSUME CERTAIN AIRCRAFT LEASES AND (B) RELATED PLEADINGS**

I, Matthew Landess, declare as follows:

1. I am a partner of SkyWorks Capital, LLC (“**SkyWorks**”), which serves as aircraft fleet restructuring financial advisor to the debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, the “**Debtors**”) and served in such capacity prior to the commencement of these cases. I have been employed by SkyWorks or its affiliates since 2008.

2. As a Partner at SkyWorks, I have advised several airlines during their restructuring processes. I have worked on bankruptcy cases in the airline industry, including TWA, Delta Air Lines, and American Airlines. I have advised multiple industry-leading airlines on matters relating to fleet planning, including aircraft orders, aircraft financing structures, tax leases, operating leases, capital leases and multiple debt structures, and negotiating contracts on behalf of my clients that have enabled them to collectively save billions of dollars and successfully restructure their businesses.

¹ The Debtors in these cases, along with each Debtor’s registration number in the applicable jurisdiction, are as follows: Grupo Aeroméxico, S.A.B. de C.V. 286676; Aerovías de Mexico, S.A. de C.V. 108984; Aerolitoral, S.A. de C.V. 217315; and Aerovías Empresa de Cargo, S.A. de C.V. 437094-1. The Debtors’ corporate headquarters is located at Paseo de la Reforma No. 243, piso 25 Colonia Cuauhtémoc, Mexico City, C.P. 06500.

3. I submit this declaration (this “**Declaration**”) in support of the *Debtors’ Motion for Entry of an Order Authorizing Debtors To Assume Certain Aircraft Leases* (the “**Assumption Motion**”) and the *Debtors’ Motion for Entry of an Order Authorizing the Debtors to Partially Redact Commercially Sensitive Information* (the “**Sealing Motion**”) and, together with the Assumption Motion, the “**Motions**”), which were filed with the Court contemporaneously herewith.²

4. The statements in this Declaration are, except where specifically noted, based on my personal knowledge or opinion, on information that I have received from the Debtors’ employees or advisors or professionals of SkyWorks working directly with me or under my supervision, direction, or control, or from the Debtors’ books and records maintained in the ordinary course of their businesses.³

5. I am not being specifically compensated for this testimony other than through payments received by SkyWorks as a professional retained by the Debtors. I am over the age of 18 years and authorized to submit this Declaration on behalf of the Debtors. If I were called upon to testify, I could and would competently testify to the facts set forth herein.

Assumption Motion

6. As set forth in the Motion, the Debtors have been engaged in a multi-step process to (a) analyze their anticipated, long-term fleet and equipment needs, (b) make corresponding adjustments to the size and composition of their current operating fleet,

² Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Motions.

³ This Declaration is based on SkyWorks’ knowledge of the Debtors, the Chapter 11 Cases, and their fleet (aside from aircraft bearing manufacturer’s serial number 35311).

and (c) obtain the most favorable terms for agreements relating to aircraft equipment. Over the last several months, the Debtors have continued negotiating with existing lessors and potential lessors of additional aircraft and equipment to obtain the best terms available for the aircraft and equipment that will be necessary for the Debtors to pursue their long-term business plan and to optimize their anticipated fleet upon emergence from the Chapter 11 Cases.

7. As a result of arm's length and good faith negotiations, the Debtors have reached agreements with lessors to either (a) enter into new aircraft leases for new aircraft or (b) assume current aircraft leases on an amended basis. By agreeing to such transactions and receiving Court approvals [ECF Nos. 396, 399–429, 475, 491, 502, 984, 1100, 1141, 1154, 1156–57, 1161, 1544, 1572–73], the Debtors achieved certainty in maintaining and adding aircraft in and to their fleet on terms that fit the Debtors' short- and long-term needs and that the Debtors believe are advantageous. The foregoing aircraft also provided the Debtors with attractive economics and ownership costs compared to the Debtors' average prepetition lease costs for similar equipment and created operational flexibility for the Debtors, as they allowed the Debtors to potentially reject other costly aircraft or equipment that are not as attractive for the long term fleet.

8. The Debtors are seeking to reset their fleet and attendant costs and to retain certain aircraft that fit the short and long-term fleet plan. Based on an evaluation of aircraft alternatives, the Debtors have determined in good faith that the terms of the Aircraft Leases are worth retaining, meet the Debtors' fleet needs, and afford the Debtors further operational flexibility.

Sealing Motion

9. The Debtors are also seeking to partially redact very limited, but sensitive, information in Schedule 1. While the Debtors recognize the need to disclose sufficient information and details when seeking the relief requested in the Assumption Motion, the Debtors must ensure that they protect certain key economic and commercial terms of the Aircraft Leases, which could be extrapolated from the proposed cure costs set forth on Schedule 1.

10. Disclosure of the Confidential Information could reasonably be expected to cause harm to the Debtors and jeopardize their goals at a critical juncture in the Chapter 11 Cases in various ways. First, disclosing the Confidential Information would provide other aircraft counterparties insight into the Debtors' cost structure, negotiating positions, and fleet strategy, as it would allow industry participants to reverse-engineer certain terms of the Aircraft Leases. Counterparties that are currently negotiating with the Debtors over new long-term leases, some for aircraft or equipment similar to the Aircraft under the Assumption Motion, will insist on obtaining the most favorable economic terms provided to any other lessor. Moreover, the Debtors anticipate further negotiations with equipment and aircraft counterparties (and potential new counterparties) regarding the terms of long-term lease agreements, and the Debtors' negotiating position would be harmed if equipment and aircraft counterparties know the details of terms in the Aircraft Leases. Further, if the Debtors are not successful in protecting sensitive information, it would hinder the Debtors' ability to enter into further agreements with, and obtain beneficial economic terms from, the Lessors and other counterparties necessary to the Debtors' ongoing business. Accordingly, the Debtors cannot publicize the proposed cure costs for each of the Aircraft Leases, as it could result

in the disclosure of certain terms under the Aircraft Leases and, thereby, disadvantage the Debtors when negotiating with equipment and aircraft counterparties.

11. Second, disclosure of the Confidential Information would allow industry competitors to extrapolate rarely disclosed information. Given that fleet strategy and costs are core components of any commercial airline's business model, disclosure of the Confidential Information would allow competitors to reverse-engineer certain terms of the Aircraft Leases and gain unique insight into the Debtors' business strategy, which insight the Debtors themselves do not have respecting their competition. In an already challenging marketplace, this informational asymmetry would leave the Debtors at a competitive disadvantage relative to their peers.

12. Importantly, the proposed redactions are limited and tailored to protect only specific information whose publication could reasonably be expected to adversely affect the Debtors' ongoing and future negotiations or competition with their peers. The narrowly-tailored nature of the redactions will serve to both minimize the quantity of redacted information while maximizing value for the Debtors' estates and economic stakeholders.

13. For the reasons set forth above, I believe that (a) the relief requested in the Motion is fair, equitable, and reasonable and represents a sound exercise of the Debtors' business judgment and (b) the Court's authorization for the Debtors to assume the Aircraft Leases is in the best interest of their estates and economic stakeholders.

14. Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge, information, and belief.

Executed this 31st day of August, 2021
in New York, New York

/s/ Matthew Landess
Matthew Landess